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Governor Charlie Baker and Lt. Governor Karyn Polito Testify Before the Massachusetts Joint Committee on Housing

BOSTON – Today, Governor Charlie Baker, Lt. Governor Karyn Polito and Housing and Economic Development Secretary Mike Kennealy testified before the Joint Committee on Housing in support of *An Act to Promote Housing Choices*, legislation filed by Governor Baker in February that calls for targeted zoning reform to advance new housing production in Massachusetts and supports the administration's goal to produce 135,000 new housing units by 2025.

Remarks as prepared for delivery by Governor Charlie Baker:

"For the last four years, through collaboration with each of you and your colleagues, and with our municipal and non-profit partners, we have made housing a priority and put forward a robust housing agenda.

"We have invested more than \$1.1 billion in housing initiatives, 19% more than the prior 4 years, resulting in the production and preservation of more than 17,000 housing units, including 15,000 affordable units and 2,600 units for families and individuals with extremely low incomes.

"Last August, thanks to your efforts, I signed the largest housing bond bill in Massachusetts history, authorizing more than \$1.8 billion for the future of affordable housing production and preservation.

"We have also advanced the development of more than 11,000 mixed-income housing units through the MassWorks Infrastructure Program, reformed the Housing Development Incentive Program, leading to 1,100 units in Gateway Cities and another 900 under construction, and worked with communities to implement smart-growth development and planning efforts.

“While these investments will continue at unprecedented levels, we will never achieve the level of housing production that we need with subsidies alone. We must change the game by empowering cities and towns with the tools they need to respond to the demand for more housing.

“Much like the opioid epidemic, the Commonwealth did not get into this Housing Crisis overnight.

“For the last 30 years, Massachusetts has been producing half of the housing that we were building in the 1960s, 70s, and 80s.

“Not surprisingly, statewide, rents have increased by 75% since 2000, while Boston’s inner core communities have seen rents almost – or more than – double over the same period.

“Many of you have heard me talk about all the national accolades that Massachusetts earns—#1 in innovation, #1 in education, #1 in AP scores, #1 in life sciences employment—but we are also #1 in the median rent statewide for a 2-bedroom rental at nearly \$2,500.

“Nearly half of all renter households –many of the residents in the communities you represent - are paying more than 30 percent of their income on rent.

"And the reality is no better for homeowners or prospective homebuyers.

"Massachusetts single-family home prices were at the national average in 1980 and since then have increased faster than any other state.

"We are now the #3 state, trailing only California and Hawaii in median home values. That is not a race to the top that we want to win.

"And those accolades that our residents and employers and educators should be so proud of, they are all at risk if we don’t solve the housing challenge.

“What is the primary driver for this crisis? A century-old state law that requires near unanimous consent to proceed with popular development proposals.

“This outdated law is almost entirely unique to Massachusetts. Massachusetts is one of the only states in the country, and the only one in New England, to require a supermajority to change zoning laws in its communities.

“Our neighbors to the north in Salem are watching rents continue to rise and over half the residents struggling to pay their monthly housing costs.

“Years of preparation and a proposal to permit the conversion of church- and city-owned building into housing, with new affordable units, have been knocked off track by a 7-4 'failed' vote of the City Council.

“And this vote in particular not only leaves the several major vacant buildings empty, but has put the former Senior Center – which was recently sold to a developer that plans to create 16 condos – on indefinite hold.

"But Salem isn't the only place feeling this pain.

"In Ipswich, a proposal would have increased density in the central business district and supported downtown businesses, but failed, receiving only 63% approval.

"In Lexington, where the two-thirds barrier forced a developer to shelve a 13 unit mixed use project located on transit lines. That project would have provided 4 new affordable units.

"In Acton, where a mixed use development, with 130 units of housing, that was unanimously supported by the Planning Board and Board of Selectmen, and was endorsed by 62% of Town Meeting, failed by 19 votes.

"In Braintree, where Mayor Joseph Sullivan said the town will not go forward with plans to create a Chapter 40R "Smart Growth" district around the Braintree MBTA station that could have created up to 445 units with 89 affordable units.

"In Lenox, residents assembled two weeks ago for Town Meeting, and 54% voted in support of a mixed-income rental housing project. Of the 50 units – 41 would have been affordable. Of the 20 acre site, 15 would have been preserved for Open Space.

"These are would-be homes for the chef in the restaurant downtown.

"These are the apartments for the recent WPI graduate that the local manufacturer needs to fill her open job posting.

"These are the condos that grandparents need to downsize to so that they can stay near their grandchildren in the Berkshires.

"When we launched our Housing Choice Initiative in December of 2017, we announced the goal of producing 135,000 new units of housing by 2025.

"Achieving that goal requires a multi-pronged approach.

"First, we wanted to recognize and reward communities that were leading the way in housing production. So we established the Housing Choice designation and capital grant program. In 2018 we designated 69 communities who applied best practices in their work to add housing.

"And I was pleased to announce another 10 for 2019 just last week in Haverhill. The Lieutenant Governor will speak more on how this program encourages communities to implement locally-driven housing best-practices.

"Next we needed to make systemic change. The Housing Choice legislation we first filed in 2017 and then refiled in its current form in February, is another critical component that we need to take the big leaps forward that our economy, our communities and our residents need.

"Thank you to this Committee for voting out a re-drafted version of this bill last session.

"Under the leadership of Chair Honan and then Chair Boncore, as well as Senator Crighton, you made prudent additions to our bill and we were pleased to file your version this session.

"We believe that the changes you made to encourage affordable production around transit, and to track our progress towards the 135,000 unit goal, have made this bill better and more effective.

"Chief among the reforms in the legislation before you today is joining the rest of the country in reducing the threshold for certain zoning changes to a simple majority.

"Importantly, such a change would still place housing development decisions in the hands of their would-be hosts, preserving the local autonomy we believe is critical for municipal leaders working to meet the unique needs of each community.

"And the experience of other states confirms that we can preserve our distinctively New England local character without such onerous restrictions on zoning changes.

"In order to maintain and grow the Massachusetts economy, we believe being able to live and work in the community you call home must remain within reach. If we fail to create more affordable options, our workforce and businesses will eventually be forced to relocate.

"Let me be clear: Our affordability crisis will not be solved by one piece of legislation, or one budget line item. Our Housing Choice Legislation is not the end of our conversation on our affordable housing crisis.

"It took us many years to get to this place, and this legislation, with its carefully chosen set of best practices, is absolutely essential to any future efforts.

"The Housing Bond Bill we worked together to pass and sign is incredibly important. But without addressing zoning, no level of investment will create the new housing we need.

"By not removing barriers to zoning changes, the creation of affordable units will be more expensive, and less effective. By failing to make the updates in this bill, we ensure that the Housing Bond Bill is less impactful than it should be.

"There is always urgency in the voices of everyone I speak with on this issue—residents, mayors, select board representatives, business owners, community advocates, and residents.

"I implore you today to act with that same urgency to get this legislation before your respective bodies, so that a robust debate can take place and a bill can get to my desk."

Remarks as prepared for delivery by Lt. Governor Karyn Polito:

"Chairman Honan, Chairman Crighton, members of the Committee it is great to join you here today to testify on this incredibly important piece of legislation.

"As has been the case for the last four years, I am proud that we have a good working relationship with both the House and the Senate.

"I had the distinct pleasure of traveling to every one of Massachusetts' cities and towns over the last four years. I heard about a lot of fantastic local initiatives positively impacting the lives of residents, and also heard about some hyper-local challenges.

"But one message was near universal: every community has gaps in their housing stock, and they are struggling to meet the specific demands of their residents.

"Though that part of the problem was universal, the details were different.

"Some communities need infrastructure built, some have large lots that inhibit production, and many lacked a plan focused on addressing their local needs.

"Since 2015, we've worked with communities to approve 94 Housing Production Plans, helping communities to design local solutions to their unique housing needs.

"Without legislation that changes the rules, and gives municipalities the flexibility to do what they know to be best for their particular community, many of these plans may be ineffective.

"Municipalities need the ability to implement their plans in order to produce much needed housing for their families and their community.

"In order to further community goals, and to support communities helping to solve our housing crisis, we're pursuing a two-faceted solution.

"The first part of this is the Housing Choice designation, an initiative we have already implemented in communities across the Commonwealth.

"Communities that have increased their housing stock by 5%, or 500 units, over the past 5 years are eligible to be designated.

"Additionally, communities that have produced a 3% increase in their housing stock, or 300 units, are eligible if they meet 5 best practices.

"These best practices were developed through an interagency work group that analyzed housing production data and other obstacles communities have been facing when trying to increase housing production.

"Communities that receive Housing Choice Designation – those communities that are helping to address our housing crisis – can access a special capital grant fund, and they automatically receive bonus points for state programs like MassWorks to further aid their efforts.

"Since 2017, we have awarded \$5 million in capital funding to 31 communities through the Housing Choice Capital Grant Program, and through a \$2 million partnership with MassHousing, 14 communities have received technical assistance to advance the production of more than 4,000 new housing units.

"This initiative is working and it's helping communities, now it's time to build on it with this legislation.

"The second part of this effort and the next step is the bill before you.

"It includes reasonable, tightly focused zoning measures:

1. Reducing dimensional requirements, such as minimum lot sizes, to allow homes to be built closer together
2. Reducing required parking ratios, which can lower the cost of building new housing and accommodate development on a smaller footprint
3. Creating mixed-use zoning in town centers, and creating multi-family and starter home zoning in town centers, near transit, and in other smart locations
4. Adopting 'Natural Resource Protection Zoning' and 'Open Space Residential Development;' These zoning techniques allow the clustering of new development while protecting open space or conservation land
5. Adopting provisions for Transfer of Development Rights (TDR), which protects open space while creating more density in suitable locations
6. Adopting 40R 'Smart Growth' zoning, which provides incentives for dense, mixed-use development in town centers, near transit, and in other 'smart' locations
7. Allowing accessory dwelling units or 'in-law' apartments – small apartments in the same building or on the same lot as an existing home
8. Allowing for increased density through a Special Permit process promoting more flexible development
9. 9th provision (added by the Joint Committee on Housing last session) special permit multi-family or mixed-use projects with at least 10% affordable units in locations near transit or, in centers of commercial activity within a municipality

"We have worked hard to create legislation around which we can build a strong coalition of advocates, municipal officials, residents, and stakeholders.

"This legislation is supported so widely because our legislation balances the needs of our Commonwealth with the needs of our municipalities.

"The fifteen leaders of the Metro Mayors Coalition recognize that current zoning rules stand "as a barrier to the adoption of progressive zoning proposals" and have been outspoken in their advocacy on Housing Choice.

"When we announced the re-filing of this bill, Mass Municipal Association President Geoff Beckwith called it the "the most significant zoning reform measure in five decades."

"We are so proud to have the backing of the Metro Mayors and the MMA, along with so many others. They recognize that Housing Choice "will make a difference, while maintaining hometown democracy."

"This is why we have had the support of local officials, elected and appointed, from Barnstable on the Cape to Williamstown in the Berkshires, from Gateway Cities like Lawrence to small towns like Grafton.

"Over the last month, Governor Baker, Secretary Kennealy and I have been crisscrossing the state talking about this legislation—Boston Globe columnist Jon Chesto dubbed it the 'Housing Choice Palooza.'

"At each of the stops, from Gateway Cities to smaller communities in Western Massachusetts, I have heard from very different people sharing very different perspectives on how this crisis is impacting them and those around them.

"While in Salem late last month, the Governor and I met Melissa, a single mother of five, who has struggled to find affordable housing. When she shared her story, you could've heard a pin drop. She spoke of the roller coaster her family has been on trying to find and maintain stable, affordable housing so that she can continue to work and raise her children in her hometown of Salem.

"With the help of some amazing non-profits and housing assistance, she's been able to stabilize her family – for now. But her story is representative of the challenges that hard working families across the Commonwealth face.

"This is the person behind the statistics and the numbers.

"We had a strong kick-off to our tour in Easthampton with Mayor Nicole LaChapelle, who has been a staunch advocate for this legislation and who you will hear from soon. In Easthampton, there's an affordability issue.

"Easthampton is going through a major redevelopment, I had the pleasure of seeing such exciting things with the redevelopment of former mills—buildings that, as Representative Dan Carey noted, were considered haunted by ghosts during his adolescence.

"Today, those old mills are serving the community as housing, restaurants, an RMV, a new brewery and more. And with a Housing Choice capital grant, the regional bike share has been expanded to Easthampton, giving residents yet another way to explore their bustling downtown.

"Mayor LaChapelle told us that this legislation will make it easier for her to create more value in their community with future redevelopment projects and we look forward to making that happen.

"In Barnstable we were lucky to earn another Chamber of Commerce endorsement from Wendy Northcross and the Cape Cod Chamber, and also heard from Mike Lauf, President & CEO of Cape Cod Healthcare.

"For both, they see Barnstable and the Cape at a critical juncture, as housing for year-round workers and residents disappears. We toured an underutilized, historical building in the center of their downtown that will soon be given a second life as rental housing, specifically aimed at year-round residents.

"While the Cape is often viewed as a tourist destination, for many it's a year-round community. For Barnstable to remain a vibrant place for both year-round residents, and seasonal ones, it needs to retain its workforce throughout the year.

"Hospitals are not just open for three months over the summer. It's both a major employer – and needs its workers to be able to afford to live nearby – and it's a critical service for all its residents, whether they are there during the school year or for summers on the beach.

"We are committed to making sure Massachusetts continues to be the top age-friendly state in the nation.

"Williamstown is a community that has taken the challenge of an aging population head-on, and been proactive on encouraging housing that meets the specific needs of this community with great affordable and mixed-income developments.

"But what has become clear in the course of their work, is that we need to also think about the next generation.

"For Williamstown, that means figuring out how to transform large, old houses that are unaffordable to young families into multi-unit housing that meets the needs of young professionals, smaller families, and the local workforce to keep this picturesque community vibrant.

"Last week I joined Janet Pierce, Executive Director of the Central Massachusetts Regional Planning Commission, in Grafton. As someone who works with more than 80 communities in the region, she understands the explicit link between economic development and housing, and that you cannot have the former without the latter.

"And Selectmen Ed Prisby's focus on bringing more affordable housing to this community, so more families can access a cornerstone of the American experience, homeownership and stability.

"Though this housing challenge doesn't respect the borders between communities, we have filed this legislation to help each diverse and unique community respond to the challenge in the ways that are best suited for them.

"Our administration and your legislative bodies have collaborated on some very serious issues before—climate change, the opioid epidemic, women's rights—and we have an opportunity to work together to tackle this one and set yet another example of good government.

"For your districts, for all of our communities, and for every resident, I hope we can get this done soon."

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